

The Alabama Prepaid Affordable College Tuition Program

RFP Committee Meeting

Minutes

Committee Members Present:

Chair Young Boozer

Gen. Paul Hankins

Dr. Greg Fitch

Others in attendance:

Ms. Daria Story, Assistant State Treasurer

Ms. Anita Kelley, Program Director

Mr. Jim Zeigler, Alabama State Auditor

Ms. Patti Lambert

Mr. Barry Bryant & Mr. William Dahab (by phone), Dahab Associates

Pursuant to public notice, a meeting of the PACT RFP Committee was held on July 22, 2015.

Agenda Item 1.

The meeting was called to order by Chair Young Boozer at 10:03 a.m.

Agenda Item 2.

Roll was taken with a quorum present.

Agenda Item 3.

Chair Boozer asked Mr. Bryant to provide a summary of the proposals received in response to the RFP issued June 18, 2015 for investment manager services. Mr. Bryant stated that his firm received 34 responses to the RFP and that from that list they narrowed down the selection to eight managers, each of which satisfies the posted minimum requirements. He listed the firms which included Bradford & Marzec, Garcia Hamilton, Hartford Investment Management, Longfellow Investment Management, MacKay Shields, Reams Asset Management, Regions Investment Management and Seix Investment Advisors. Mr. Bryant noted the responses were analyzed for 1) compliance with the minimum requirements; 2) return profile; 3) fees; and 4) risk.

After lengthy discussion and noting that Regions' historical returns have exceeded the benchmark over the three and five year periods, the portfolio has a low risk profile, and its fees are the lowest among the respondents, a motion to recommend the Board interview Regions Investment Management Inc. to provide investment manager services was made by Dr. Fitch, seconded by Gen. Hankins, with unanimous approval. Regions will present at the next Board meeting on August 10, 2015.

Agenda Item 4.

Chair Boozer asked Ms. Kelley to provide a summary of responses received from the RFP issued on June 12, 2015 for custodian services. She provided information on the firms' experience, fee structure as well as the estimated conversion timeframe.

After discussion, a motion to recommend the Board interview Regions Institutional Services for custodian was made by Gen. Hankins, seconded by Dr. Fitch, with unanimous approval. Regions will present at the next Board meeting on August 10, 2015. The committee asked that Chair Boozer contact Regions for their best pricing.

There being no further business to be discussed, a motion for adjournment was made by Gen. Hankins, seconded by Dr. Fitch, with unanimous approval. The meeting adjourned at 10:53.

Anita Kelley, Recording Secretary

Young Boozer, Chair